

**AXA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL  
INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH  
PERIODS ENDED 30 JUNE 2021  
(UNAUDITED)  
AND REPORT ON REVIEW OF INTERIM  
FINANCIAL INFORMATION**

**AXA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2021**

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## Report on review of interim financial information

To the shareholders of AXA Cooperative Insurance Company:  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of AXA Cooperative Insurance Company (a Saudi Joint Stock Company) (the "Company") as of 30 June 2021 and the related interim condensed statements of income and comprehensive income for the three-month and six-month periods then ended and the interim condensed statements of changes in equity and cash flows for the six-month period ended 30 June 2021 and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

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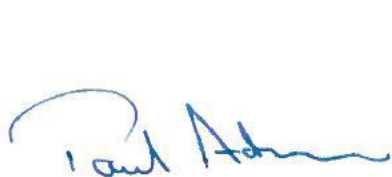
8 August 2021



**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

		<b>30 June 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>
	<b>Note</b>		
<b>Assets</b>			
Cash and cash equivalents	4	<b>157,024</b>	331,036
Short-term deposits		<b>495,917</b>	553,416
Premiums and reinsurers' balances receivable - net	5	<b>329,728</b>	214,308
Reinsurers' share of unearned premiums	8	<b>33,820</b>	23,455
Reinsurers' share of outstanding claims	8	<b>143,140</b>	74,988
Reinsurers' share of claims incurred but not reported and other reserves	8	<b>73,309</b>	73,080
Deferred policy acquisition costs		<b>48,732</b>	36,492
Investments	6	<b>1,304,759</b>	1,064,582
Prepaid expenses and other assets	7	<b>30,371</b>	19,589
Long-term deposits		<b>215,722</b>	215,721
Right-of-use asset	9	<b>21,801</b>	23,122
Property and equipment		<b>20,055</b>	21,708
Intangible assets		<b>7,563</b>	8,819
Goodwill	20	<b>50,000</b>	50,000
Statutory deposit	15	<b>50,000</b>	50,000
Accrued income on statutory deposit		<b>6,084</b>	5,902
<b>Total assets</b>		<b>2,988,025</b>	2,766,218
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Claims payable, accrued expenses and other liabilities		<b>119,286</b>	133,129
Surplus distribution payable		<b>34,564</b>	26,973
Reinsurers' balances payable		<b>46,561</b>	41,065
Advance premiums		<b>44,918</b>	36,492
Unearned premiums	8	<b>588,115</b>	486,709
Unearned reinsurance commission		<b>6,461</b>	3,364
Outstanding claims	8	<b>396,183</b>	288,704
Claims incurred but not reported and other reserves	8	<b>702,170</b>	766,168
Lease liability	9	<b>22,197</b>	21,781
Due to a related party	13	<b>3,214</b>	3,385
Employee benefit obligations		<b>32,432</b>	31,488
Zakat and income tax		<b>47,695</b>	50,156
Accrued income payable to SAMA		<b>6,084</b>	5,902
<b>Total liabilities</b>		<b>2,049,880</b>	1,895,316

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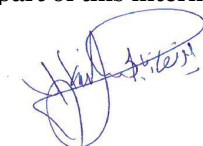
**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION** (continued)  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

		<b>30 June 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>
	<b>Note</b>		
<b>Equity</b>			
Share capital	18	<b>500,000</b>	500,000
Statutory reserve	16	<b>89,927</b>	76,998
Performance share reserve	17	<b>2,259</b>	2,266
Retained earnings		<b>301,432</b>	249,718
Fair value reserve on investments		<b>44,527</b>	41,920
<b>Total equity</b>		<b>938,145</b>	870,902
<b>Total liabilities and equity</b>		<b>2,988,025</b>	2,766,218

The accompanying notes are an integral part of this interim condensed financial information.



Paul Adamson  
Managing Director



Yousef S Abalkhail  
Chairman



Babar Ali Khan  
Chief Financial Officer

**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF INCOME**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2021	2020	2021	2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenues</b>					
Gross premiums written					
- Direct		<b>269,934</b>	264,622	<b>810,621</b>	808,854
- Reinsurance		<b>1,831</b>	2,890	<b>2,735</b>	2,924
		<b>271,765</b>	267,512	<b>813,356</b>	811,778
Reinsurance premiums ceded:					
- Foreign		<b>(20,210)</b>	(36,790)	<b>(69,582)</b>	(68,949)
- Local		<b>(9,288)</b>	(1,977)	<b>(12,893)</b>	(3,032)
		<b>(29,498)</b>	(38,767)	<b>(82,475)</b>	(71,981)
<b>Net premiums written</b>	8	<b>242,267</b>	228,745	<b>730,881</b>	739,797
Changes in unearned premiums		<b>93,667</b>	72,062	<b>(101,406)</b>	(126,315)
Changes in reinsurers' share of unearned premiums		<b>(5,063)</b>	6,712	<b>10,365</b>	10,844
<b>Net premiums earned</b>	8	<b>330,871</b>	307,519	<b>639,840</b>	624,326
Reinsurance commissions		<b>4,491</b>	2,877	<b>8,790</b>	6,082
<b>Total revenues</b>		<b>335,362</b>	310,396	<b>648,630</b>	630,408
<b>Underwriting costs and expenses</b>					
Gross claims paid		<b>248,899</b>	129,222	<b>504,006</b>	353,217
Reinsurers' share of claims paid		<b>(15,065)</b>	780	<b>(21,683)</b>	(8,926)
<b>Net claims and other benefits paid</b>		<b>233,834</b>	130,002	<b>482,323</b>	344,291
Changes in outstanding claims		<b>48,211</b>	7,726	<b>107,479</b>	5,846
Changes in reinsurers' share of outstanding claims		<b>(23,778)</b>	(1,700)	<b>(68,152)</b>	4,602
Changes in claims incurred but not reported and other reserves		<b>(17,755)</b>	74,699	<b>(63,998)</b>	102,721
Changes in reinsurers' share of claims incurred but not reported and other reserves		<b>2,006</b>	11,149	<b>(229)</b>	(8,040)
<b>Net claims and other benefits incurred</b>		<b>242,518</b>	221,876	<b>457,423</b>	449,420
Policy acquisition costs		<b>31,806</b>	24,395	<b>61,324</b>	50,813
<b>Total underwriting costs and expenses</b>		<b>274,324</b>	246,271	<b>518,747</b>	500,233
<b>Net underwriting income</b>		<b>61,038</b>	64,125	<b>129,883</b>	130,175
<b>Other operating (expenses) income</b>					
General and administrative expenses		<b>(39,071)</b>	(40,398)	<b>(78,444)</b>	(81,997)
Other income - net	21	<b>16,156</b>	14,762	<b>34,891</b>	29,146
<b>Total other operating expenses - net</b>		<b>(22,915)</b>	(25,636)	<b>(43,553)</b>	(52,851)

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*Paul Adam*

*[Signature]*

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**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF INCOME** (continued)  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	<b>Three-month period ended 30 June</b>		<b>Six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Total income for the period before surplus attribution, zakat and income tax</b>	<b>38,123</b>	38,489	<b>86,330</b>	77,324
Surplus attributed to the insurance operations	<b>(3,159)</b>	(3,495)	<b>(7,591)</b>	(7,019)
<b>Total income for the period before zakat and income tax</b>	<b>34,964</b>	34,994	<b>78,739</b>	70,305
Zakat expense	<b>(4,248)</b>	(3,641)	<b>(8,172)</b>	(6,960)
Income tax expense	<b>(2,634)</b>	(2,654)	<b>(5,924)</b>	(5,379)
<b>Total income for the period attributable to the shareholders</b>	<b>28,082</b>	28,699	<b>64,643</b>	57,966
<b>Earnings per share (expressed in Saudi Riyals per share)</b>				
Basic earnings per share	<b>0.56</b>	0.57	<b>1.29</b>	1.16
Diluted earnings per share	<b>0.56</b>	0.57	<b>1.29</b>	1.16

The accompanying notes are an integral part of this interim condensed financial information.



Paul Adamson  
Managing Director



Yousef S Abalkhail  
Chairman



Babar Ali Khan  
Chief Financial Officer

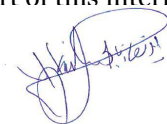
**AXA COOPERATIVE INSURANCE COMPANY**  
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**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

		<b>Three-month period ended</b>		<b>Six-month period ended</b>	
		<b>30 June</b>		<b>30 June</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Total income for the period attributable to the shareholders</b>		<b>28,082</b>	28,699	<b>64,643</b>	57,966
<b>Other comprehensive income:</b>					
<i>Items that will be reclassified to the interim condensed statement of income in subsequent periods</i>					
Net change in the fair value of available-for-sale investments	6	<b>10,061</b>	36,994	<b>2,607</b>	(1,394)
<b>Total comprehensive income for the period</b>		<b>38,143</b>	65,693	<b>67,250</b>	56,572

The accompanying notes are an integral part of this interim condensed financial information.



Paul Adamson  
Managing Director



Yousef S Abalkhail  
Chairman



Babar Ali Khan  
Chief Financial Officer



**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Performance share reserve	Retained earnings	Fair value reserve on investments	Total
<b>Balance as at 1 January 2021 (Audited)</b>		<b>500,000</b>	<b>76,998</b>	<b>2,266</b>	<b>249,718</b>	<b>41,920</b>	<b>870,902</b>
<b>Total comprehensive income for the period</b>							
Total income for the period attributable to the shareholders		-	-	-	64,643	-	64,643
Changes in fair values of available-for-sale investments	6	-	-	-	-	2,607	2,607
Total comprehensive income for the period		-	-	-	64,643	2,607	67,250
Transfer to statutory reserve	16	-	12,929	-	(12,929)	-	-
Performance share reserve	17	-	-	844	-	-	844
Performance share reserve - settlement	17	-	-	(851)	-	-	(851)
<b>Balance as at 30 June 2021 (Unaudited)</b>		<b>500,000</b>	<b>89,927</b>	<b>2,259</b>	<b>301,432</b>	<b>44,527</b>	<b>938,145</b>

The accompanying notes are an integral part of this interim condensed financial information.



Paul Adamson  
Managing Director



Yousef S Abalkhail  
Chairman



Babar Ali Khan  
Chief Financial Officer

**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY** (continued)  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Performance share reserve	Retained earnings	Fair value reserve on investments	Total
<b>Balance as at 1 January 2020 (Audited)</b>		500,000	49,298	1,489	139,083	19,942	709,812
<b>Total comprehensive income for the period</b>							
Total income for the period attributable to the shareholders		-	-	-	57,966	-	57,966
Changes in fair values of available-for-sale investments		-	-	-	-	(1,394)	(1,394)
Total comprehensive income for the period		-	-	-	57,966	(1,394)	56,572
Transfer to statutory reserve	16	-	11,593	-	(11,593)	-	-
Performance share reserve	17	-	-	627	-	-	627
Performance share reserve - settlement	17	-	-	(526)	-	-	(526)
<b>Balance as at 30 June 2020 (Unaudited)</b>		500,000	60,891	1,590	185,456	18,548	766,485

The accompanying notes are an integral part of this interim condensed financial information.



Paul Adamson  
Managing Director



Yousef S Abalkhail  
Chairman





Babar Ali Khan  
Chief Financial Officer

**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

	Note	Six-month period ended 30 June 2021 (Unaudited)	Six-month period ended 30 June 2020 (Unaudited)
<b>Cash flows from operating activities</b>			
Total income before surplus attribution, zakat and income tax		<b>86,330</b>	77,324
<b>Adjustments for non-cash items:</b>			
Depreciation of property and equipment		<b>3,450</b>	2,769
Depreciation of right-of-use assets	9	<b>1,321</b>	1,560
Amortization of intangible assets		<b>2,992</b>	2,967
Interest on leases		<b>416</b>	372
Provision for doubtful debts		<b>838</b>	1,412
Accretion of discount on available-for-sale investments	6	<b>(779)</b>	(704)
Amortization of premium on available-for-sale investments	6	<b>511</b>	203
Amortization of premium on held-to-maturity investments	6	<b>5</b>	8
Impairment loss on available-for-sale investments	6	<b>-</b>	511
Performance share reserve	17	<b>844</b>	627
Employee benefit obligations		<b>2,027</b>	1,026
<b>Changes in operating assets and liabilities:</b>			
Premiums and reinsurers' receivable - net		<b>(116,258)</b>	(92,423)
Reinsurers' share of unearned premiums		<b>(10,365)</b>	(10,844)
Reinsurers' share of outstanding claims		<b>(68,152)</b>	4,602
Reinsurers' share of claims incurred but not reported and other reserves		<b>(229)</b>	(8,040)
Deferred policy acquisition costs		<b>(12,240)</b>	(12,608)
Prepaid expenses and other assets		<b>(10,782)</b>	(4,329)
Accrued income on statutory deposit		<b>(182)</b>	(1,025)
Accrued and other liabilities		<b>(13,843)</b>	15,759
Surplus distribution paid		<b>-</b>	(5,876)
Reinsurers' balances payable		<b>5,495</b>	17,761
Advance premiums		<b>8,426</b>	1,674
Unearned premiums		<b>101,406</b>	126,315
Unearned reinsurance commission		<b>3,097</b>	1,751
Outstanding claims		<b>107,479</b>	5,846
Claims incurred but not reported and other reserves		<b>(63,998)</b>	102,721
Due to a related party		<b>(171)</b>	633
Employee benefit obligations paid		<b>(1,083)</b>	(2,052)
Zakat and income tax paid		<b>(16,556)</b>	(15,191)
Accrued income payable to SAMA		<b>182</b>	1,025
<b>Net cash generated from operating activities</b>		<b>10,181</b>	213,774

(Continued)


**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

		<b>Six-month period ended 30 June 2021 (Unaudited)</b>	<b>Six-month period ended 30 June 2020 (Unaudited)</b>
	<b>Note</b>		
<b>Cash flows from investing activities</b>			
Placements of short-term deposits		<b>(465,918)</b>	(511,721)
Proceeds from disposals of short-term deposits		<b>523,417</b>	648,568
Purchases of investments		<b>(251,577)</b>	(121,804)
Proceeds from disposals of investments		<b>14,269</b>	44,117
Proceeds from disposals of long-term deposits		-	20,000
Purchases of property and equipment		<b>(1,797)</b>	(12,817)
Purchases of intangible assets		<b>(1,736)</b>	(887)
<b>Net cash (used in) generated from investing activities</b>		<b>(183,342)</b>	65,456
<b>Cash flows from financing activity</b>			
Performance share reserve - settlement		<b>(851)</b>	(526)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(174,012)</b>	278,704
Cash and cash equivalents, beginning of the period		<b>331,036</b>	234,840
<b>Cash and cash equivalents, end of the period</b>	4	<b>157,024</b>	513,544
<b>Supplemental non-cash information:</b>			
Changes in fair value of available-for-sale investments	6	<b>2,607</b>	(1,394)

The accompanying notes are an integral part of this interim condensed financial information.



Paul Adamson  
Managing Director



Yousef S Abalkhail  
Chairman



Babar Ali Khan  
Chief Financial Officer

**AXA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2021  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)**

**1 General**

AXA Cooperative Insurance Company (a Joint Stock Company incorporated in Kingdom of Saudi Arabia), "the Company", was formed pursuant to Royal Decree No. M/36 dated 27 Jumada II 1429H. (1 July 2008) (Date of inception). The Company was incorporated vide Ministerial Order number Q/192, dated 10 Jumada II 1430H, (3 June 2009) (date of incorporation). The Company is registered in the Kingdom of Saudi Arabia under commercial registration number 1010271203 issued in Riyadh on Rajab 20, 1430H (13 July 2009). The Company's registered address is P.O. Box 753, Riyadh 11421, Kingdom of Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities including reinsurance activities. Its principal lines of business include health, motor, marine, property, engineering, accident and liability and protection insurance.

The principal activities of the Company are to engage in cooperative insurance operations and related activities including reinsurance activities in accordance with the Law on Supervision of Cooperative Insurance (the "Law"), the Company's by-laws and other regulations promulgated in the Kingdom of Saudi Arabia. The Company obtained licence from the Saudi Central Bank ("SAMA") to practice general and health insurance and reinsurance business in the Kingdom of Saudi Arabia vide licence number TMN/25/20101, dated Safar 11, 1431H (corresponding to 26 January 2010). The Company has commenced insurance operations on 4 Rabi' I 1431H (corresponding to 18 February 2010) after obtaining full product approval for certain products and temporary approval for the remaining products. During 2016, the Company obtained approval for the remaining products.

The Company has been notified by its shareholder AXA Mediterranean Holding S.A. ("AXA Med") that the AXA Group has decided to sell its insurance operations in the gulf region. Accordingly, AXA Med has entered into a share purchase agreement with Gulf Insurance Group K.S.C.P ("GIG") dated 14/04/1442H (corresponding to 29 November 2020) to sell its insurance operations in the gulf region, which includes the sale of its 18% shareholding in the Company at a price of Saudi Riyals 24.23 per share (being USD 6.46 per share converted into Saudi Riyals at a rate of SAR 3.75 per USD 1). As part of the overall transaction in the gulf region, GIG will also acquire 100% of the share capital of AXA Insurance (Gulf) B.S.C in Bahrain (which is a 50:50 joint venture between the AXA Group and Yusuf Bin Ahmed Kanoo Company W.L.L), which owns 32% of the share capital of the Company at an equivalent value of SAR 24.23 per share.

Upon completion of the overall transaction, GIG will directly and indirectly own 50% of the shareholding of the Company.

Completion of the overall transaction is subject to certain conditions and regulatory approvals.

The change in shareholding is not expected to have any impact on the continuity of the Company's insurance services for its customers and partners in the Kingdom of Saudi Arabia. The Company will continue to announce any material developments as they occur.

**2 Basis of preparation**

*(a) Basis of presentation*

The interim condensed financial information of the Company has been prepared in accordance with 'International Accounting Standard 34 - Interim Financial Reporting ("IAS 34")', as endorsed in the Kingdom of Saudi Arabia.

The Company's interim condensed statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as non-current: long-term deposits, investments, right-of-use asset, property and equipment, intangible assets, goodwill, statutory deposit, lease liability and employee benefit obligations. All other financial statements line items would generally be classified as current.

**AXA COOPERATIVE INSURANCE COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2021**  
(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

**2 Basis of preparation** (continued)

*(a) Basis of presentation* (continued)

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for insurance operations and shareholders' operations and presents the financial information accordingly. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

The interim condensed statements of financial position, income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented on pages 43 to 54 of the financial information have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed statements of financial position, income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations.

In preparing the Company's interim condensed financial information in compliance with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders operations are uniform for like transactions and events in similar circumstances.

*(b) Critical accounting judgments, estimates and assumptions*

The preparation of interim condensed financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2020.

**(1) Impact of Covid-19**

On 11 March 2020, the World Health Organization ("WHO") declared the Covid-19 outbreak as a pandemic in recognition of its rapid spread globally. This outbreak has also affected the GCC region including the Kingdom of Saudi Arabia. Governments all over the world have taken steps to contain the spread of Covid-19. The Kingdom of Saudi Arabia has implemented closure of borders, released social distancing guidelines and enforced country-wide lockdowns and curfews.

In response to the spread of Covid-19 in the Kingdom of Saudi Arabia and its consequential disruption to social and economic activities, the Company's management has assessed its impact on the Company's operations and has taken a series of proactive and preventive measures to ensure:

- the health and safety of its employees; and
- the continuity of its business throughout the Kingdom of Saudi Arabia is protected and remains intact.

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**2 Basis of preparation (continued)**

*(b) Critical accounting judgments, estimates and assumptions*

The following accounting judgments and estimates are critical in preparation of this condensed financial information:

*Motor technical reserves*

In response to the Covid-19 pandemic, SAMA issued circular 189 (the “Circular”) dated 8 May 2020 to all insurance companies in the Kingdom of Saudi Arabia. Amongst other things, the Circular instructed insurance companies to extend the period of validity of all existing retail motor insurance policies by two months as well as providing two months of additional coverage for all new retail motor insurance policies written within one month of the date of the Circular without additional consideration from the policyholders.

The management, in conjunction with its appointed actuary, deliberated on a variety of internal factors and concluded that the two months extension as per the Circular in existing retail motor policies is a modification of those policies and, accordingly, the earning patterns for those retail motor policies impacted by the Circular have been amended to reflect the additional two months of coverage period. As a result, the Company has experienced a decline of Saudi Riyals 0.9 million in its net earned premiums for the six-month period ended 30 June 2021. Furthermore, the management performed a liability adequacy test using current estimates of future cash flows under its motor insurance contracts at a segmented level and concluded that the existing level of reserves were sufficient.

*Health technical reserves*

Based on managements’ assessment, the management believes that the Kingdom of Saudi Arabia’s governments’ decision to assume the medical treatment costs for both Saudi Arabian citizens and expatriates has helped in reducing any unfavorable impact of the Covid-19 pandemic. During the year ended 31 December 2020, the Company experienced a decline in medical reported claims (majorly elective and non-chronic treatment claims) which resulted in a decline in claims experience. However, subsequent to the easing of curfew protocols in the Kingdom of Saudi Arabia on 21 June 2020, the Company has experienced an increase in claims which is in line with the expectations of the Company’s management. The Company’s management has duly considered the impact of the increase in claims in the current estimate of future contractual cashflows of the insurance contracts in force as at 30 June 2021 for its liability adequacy test. Based on the results of management’s assessment, the existing technical reserves of the Company were sufficient and, accordingly, no additional amount was recorded in the Health technical reserves of the Company for the three-month and six-month periods ended 30 June 2021.

*Other financial assets*

To cater for any potential impact that the Covid-19 pandemic may have had on the financial assets of the Company, the Company has performed an assessment, in accordance with its accounting policy, for held-to-maturity investments and financial assets designated as loans and receivables, to determine whether there is objective evidence that a financial asset or group of financial assets is impaired. These include factors such as significant financial difficulties of issuers or debtors, default or delinquency in payments, probability that the issuer or debtor will enter bankruptcy or other financial reorganization etc.

For available-for-sale investments, the Company has performed an assessment to determine whether there is a significant decline in the fair value of available-for-sale investments to below cost along with other qualitative factors such as the prolonged decline in the fair value of available-for-sale equity investments and / or occurrence of credit default events in case of available-for-sale debt investments.

Based on these assessments, the Company believes that the Covid-19 pandemic has had no material effect on the Company’s reported results for the three-month and six-month periods ended 30 June 2021. The Company continues to monitor the situation closely.

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**2 Basis of preparation (continued)**

*(b) Critical accounting judgments, estimates and assumptions (continued)*

*(2) Liability arising from claims under insurance contracts*

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. Estimates are made at the end of the reporting period both for the expected ultimate cost of claim reported and for the expected ultimate costs of claims incurred but not reported ("IBNR"). Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company. At the end of each reporting period, prior period claims estimates are reassessed for adequacy and changes are made to the provision.

The provision for claims incurred but not reported is an estimation of claims which are expected to be reported subsequent to the date of interim condensed statement of financial position, for which the insured event has occurred prior to the date of interim condensed statement of financial position. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using the past claims settlement trends to predict future claims settlement trends. A range of methods such as Chain Ladder Method, Bornhuetter-Ferguson Method and Expected Loss Ratio Method are used by the actuaries to determine these provisions. The actuary also uses a segmentation approach including analyzing cost per member per year for the medical line of business. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

*(3) Impairment of premiums and reinsurance balances receivable and goodwill*

An estimate of the uncollectible amount of premium receivable, if any, is made when collection of the full amount of the receivables as per the original terms of the insurance policy is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due and Company's past experience.

The recoverable amount of goodwill is estimated based on the present value of the future cash flows expected to be derived from the asset. In case the, recoverable amount is less than carrying value, the difference is charged to interim condensed statement of income as impairment loss.

*(4) Impairment of available-for-sale investments*

The Company treats available-for-sale investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. In addition, the Company evaluates other factors, including normal volatility in share price for quoted investments and the future cash flows and the discount factors for unquoted investments.



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**2 Basis of preparation** (continued)

*(c) Seasonality of operations*

There are no seasonal changes that may affect the insurance operations of the Company.

**3 Significant accounting policies**

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2020 except as explained below:

**3.1 New standards, amendments and interpretations not yet applied by the Company**

**IFRS 9, 'Financial Instruments'**

In July 2014, the IASB published IFRS 9 which will replace IAS 39, 'Financial Instruments: Recognition and Measurement'. The standard incorporates new classification and measurements requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all financial assets will be measured at either amortised cost or fair value. The basis of classification will depend on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value changes attributable to own credit is to be recognised in the interim condensed statement of comprehensive income instead of the interim condensed statement of income. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle based approach.

In September 2016, the IASB published amendments to IFRS 4, 'Insurance Contracts' that address the accounting consequences of the application of IFRS 9 to insurers prior to the publication of the forthcoming accounting standard for insurance contracts. The amendments introduce two options for insurers: the deferral approach and the overlay approach. The deferral approach provides an entity, if eligible, with a temporary exemption from applying IFRS 9 until the earlier of the effective date of a new insurance contract standard or 2022. The overlay approach allows an entity to remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contracts standard is applied.

The Company is eligible and have chosen to apply the deferral approach under the amendments to IFRS 4. The impact of the adoption of IFRS 9 on the Company's financial information will, to a large extent, have to take into account the interaction with the forthcoming insurance contracts standard. As such, it is not possible to fully assess the effect of the adoption of IFRS 9.

For detailed impact assessment of IFRS 9 adoption, reference to the annual financial statements for the year ended 31 December 2020 should be made.

**IFRS 17, 'Insurance Contracts'**

Applicable for the period beginning on or after 1 January 2023, and will supersede IFRS 4. Earlier adoption is permitted if IFRS 9 has also been applied. The Company expects a material impact on measurement and disclosure of insurance and reinsurance that will affect the interim condensed statements of financial position, income and comprehensive income. The Company has decided not to early adopt this new standard.

For detailed impact assessment of IFRS 17 adoption, reference to the annual financial statements for the year ended 31 December 2020 should be made.

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**4 Cash and cash equivalents**

Cash and cash equivalents included in the interim condensed statement of financial position comprise the following:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Bank balances and cash	<b>21,364</b>	86,003
Deposits maturing within 3 month from the placement date	<b>135,660</b>	245,033
	<b>157,024</b>	331,036

Cash at banks are placed with counterparties that have investment grade credit ratings. As at 30 June 2021, deposits were placed with local banks with original maturities of less than three months from the date of placement and earned financial income at 0.60% to 0.88% (31 December 2020: 0.60% to 1.00%) per annum.

**5 Premiums and reinsurers' balances receivable - net**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Policyholders	<b>333,354</b>	220,069
Brokers and agents	<b>485</b>	263
Related parties	<b>8,033</b>	15,762
Reinsurers and other insurers	<b>28,006</b>	23,765
	<b>369,878</b>	259,859
Less: provision for doubtful debts	<b>(40,150)</b>	(45,551)
	<b>329,728</b>	214,308

**Movement in provision for doubtful debts is as follows:**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Balance at the beginning of the period / year	<b>45,551</b>	45,537
Provision for the period / year	<b>838</b>	14
Write off during the period / year	<b>(6,239)</b>	-
Balance at the end of the period / year	<b>40,150</b>	45,551

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**6 Investments**

Investments are comprised of the following:

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Insurance operations</b>		
Available-for-sale	<b>813,428</b>	689,178
Held-to-maturity	<b>78,781</b>	78,786
Total	<b>892,209</b>	767,964
<b>Shareholders' operations</b>		
Available-for-sale	<b>352,550</b>	236,618
Held-to-maturity	<b>60,000</b>	60,000
Total	<b>412,550</b>	296,618
<b>Total investments</b>	<b>1,304,759</b>	1,064,582

Available-for-sale investments at 30 June 2021 include 1,923,078 shares (31 December 2020: 1,923,078 shares) in Najm for Insurance Services ("Najm") and are held by the Company at Nil value.

Movement in available-for-sale investments is as follows:

	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
As at 1 January 2021	<b>689,178</b>	<b>236,618</b>	<b>925,796</b>
Purchases	<b>135,885</b>	<b>115,692</b>	<b>251,577</b>
Disposals	<b>(4,618)</b>	<b>(9,652)</b>	<b>(14,270)</b>
Amortization of premium	<b>(420)</b>	<b>(91)</b>	<b>(511)</b>
Accretion of discount	<b>626</b>	<b>153</b>	<b>779</b>
Changes in fair value	<b>(7,223)</b>	<b>9,830</b>	<b>2,607</b>
As at 30 June 2021	<b>813,428</b>	<b>352,550</b>	<b>1,165,978</b>
	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
As of 1 January 2020	477,511	189,765	667,276
Purchases	240,266	64,485	304,751
Disposals	(42,397)	(26,253)	(68,650)
Amortization of premium	(370)	(122)	(492)
Accretion for the discount	1,188	256	1,444
Impairment	-	(511)	(511)
Changes in fair value	12,980	8,998	21,978
As at 31 December 2020	689,178	236,618	925,796

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**6 Investments (continued)**

Movement in held-to-maturity investments is as follows:

	<b>Insurance operations</b>		<b>Shareholders' operations</b>	
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Opening balance	<b>78,786</b>	78,805	<b>60,000</b>	60,000
Amortization of premium	<b>(5)</b>	(19)	-	-
Closing balance	<b>78,781</b>	78,786	<b>60,000</b>	60,000

**7 Prepaid expenses and other assets**

	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
Accrued income	<b>17,473</b>	8,986
Prepaid expenses	<b>8,382</b>	4,336
Receivable from Manafeth	<b>3,178</b>	3,112
Employees' receivable	<b>953</b>	1,046
Other	<b>385</b>	2,109
	<b>30,371</b>	19,589

**8 Technical reserves**

**8.1 Net outstanding claims and reserves**

Net outstanding claims and reserves comprise of the following:

	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
Outstanding claims	<b>472,809</b>	350,560
Less: realizable value of salvage and subrogation	<b>(76,626)</b>	(61,856)
	<b>396,183</b>	288,704
Claims incurred but not reported	<b>692,723</b>	758,068
Unallocated loss adjustment expenses reserve	<b>9,447</b>	8,100
	<b>1,098,353</b>	1,054,872
Less:		
- Reinsurers' share of outstanding claims	<b>(143,140)</b>	(74,988)
- Reinsurers' share of claims incurred but not reported and other reserves	<b>(73,309)</b>	(73,080)
	<b>(216,449)</b>	(148,068)
<b>Net outstanding claims and reserves</b>	<b>881,904</b>	906,804

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**8 Technical reserves** (continued)

**8.2 Movement in net unearned premiums** (continued)

Movement in net unearned premiums comprise of the following:

	<b>30 June 2021</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
Balance as at the beginning of the period	<b>486,709</b>	<b>(23,455)</b>	<b>463,254</b>
Premium written during the period	<b>813,356</b>	<b>(82,475)</b>	<b>730,881</b>
Premium earned during the period	<b>(711,950)</b>	<b>72,110</b>	<b>(639,840)</b>
Balance as at the end of the period	<b>588,115</b>	<b>(33,820)</b>	<b>554,295</b>

	<b>31 December 2020</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
Balance as at the beginning of the year	459,190	(19,261)	439,929
Premium written during the year	1,417,826	(129,585)	1,288,241
Premium earned during the year	(1,390,307)	125,391	(1,264,916)
Balance as at the end of the year	486,709	(23,455)	463,254

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**9 Right-of-use assets and lease liability**

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Right-of-use assets - building</b>		
<b>Cost</b>		
Balance as at the beginning of the period / year	<b>27,086</b>	27,086
Additions	-	-
Balance as at the end of the period / year	<b>27,086</b>	27,086
<b>Accumulated depreciation</b>		
Balance as at the beginning of the period / year	<b>(3,964)</b>	(1,082)
Charge for the period / year	<b>(1,321)</b>	(2,882)
Balance as at the end of the period / year	<b>(5,285)</b>	(3,964)
<b>Net book value</b>	<b>21,801</b>	23,122
	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Lease liability</b>		
Within one year	<b>3,183</b>	3,183
Later than one year but not later than five years	<b>12,732</b>	12,732
Later than five years	<b>9,549</b>	9,549
	<b>25,464</b>	25,464
Future finance charges	<b>(3,267)</b>	(3,683)
Total lease liability	<b>22,197</b>	21,781

Interest expense on leases amounted to Saudi Riyals 0.2 million and Saudi Riyals 0.4 million during the three-month and six-month periods ended 30 June 2021, respectively, and are presented under "Other income - net" in the interim condensed statement of income (Three-months and six-month periods ended 30 June 2020: Saudi Riyals 0.2 million and Saudi Riyals 0.2 million, respectively).

Short-term leases that were expensed during the three-months and six-month periods ended 30 June 2021 amounted to Saudi Riyals 0.9 million and Saudi Riyals 2.0 million, respectively (Three-months and six month periods ended 30 June 2020: Saudi Riyals 1.3 million and Saudi Riyals 2.6 million, respectively).

**10 Commitments and contingencies**

(i) The Company has issued various bank guarantees amounting to Saudi Riyals 36.4 million (31 December 2020: Saudi Riyals 25.3 million) in the ordinary course of business.

(ii) The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

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**11 Determination of fair value and fair value hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in the interim condensed financial information.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>30 June 2021</b>					
<b>Financial assets measured at fair value (Insurance operations)</b>					
Available-for-sale investments					
- Government bonds	686,254	686,254	-	-	686,254
- Other bonds	106,926	106,926	-	-	106,926
- Mutual funds	20,248	20,248	-	-	20,248
	813,428	813,428	-	-	813,428
<b>Financial assets measured at fair value (Shareholders' operations)</b>					
Available-for-sale investments					
- Government bonds	247,862	247,862	-	-	247,862
- Other bonds	27,819	27,819	-	-	27,819
- Mutual funds	8,241	8,241	-	-	8,241
- Equities	68,628	68,628	-	-	68,628
	352,550	352,550	-	-	352,550

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**11 Determination of fair value and fair value hierarchy (continued)**

	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2020					
Financial assets measured at fair value (Insurance operations)					
Available-for-sale investments					
- Government bonds	519,805	519,805	-	-	519,805
- Other bonds	149,165	149,165	-	-	149,165
- Mutual funds	20,208	20,208	-	-	20,208
	689,178	689,178	-	-	689,178
Financial assets measured at fair value (Shareholders' operations)					
Available-for-sale investments					
- Government bonds	150,334	150,334	-	-	150,334
- Other bonds	17,820	17,820	-	-	17,820
- Mutual funds	7,933	7,933	-	-	7,933
- Equities	60,531	60,531	-	-	60,531
	236,618	236,618	-	-	236,618

The Company has strengthened its credit risk management policies to address the fast changing and evolving risks posed by the current circumstances caused by the Covid-19 pandemic as explained in Note 2. These include review of credit concentrations at granular economic sector, region, counterparty level and take appropriate action where required.

**12 Segmental information**

Operating segments for the purpose of segmental information are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the interim condensed statement of income. Segment assets and liabilities comprise operating assets and liabilities.

Segment assets do not include cash and cash equivalents, short-term deposits, premiums and reinsurers' balances receivable - net, investments, prepaid expenses and other assets, long-term deposits, property and equipment, right-of-use asset, intangible assets, due from / to shareholders' / insurance operations, goodwill, statutory deposit and accrued income on statutory deposit. Accordingly, they are included in unallocated assets. Segment liabilities do not include claims payable, accrued expenses and other liabilities, surplus distribution payable, reinsurers' balances payable, advance premiums, due to a related party, employee benefit obligations, zakat and income tax, and accrued income payable to SAMA. Accordingly, they are included in unallocated liabilities.



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**12 Segmental information** (continued)

These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

For management purposes, the Company is organized into business units based on their products and services and has the following reportable segments:

- Motor;
- Property and casualty;
- Health; and
- Protection.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the interim condensed financial information.

Where intersegment transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expense and results will then include those transfers between operating segments which will then be eliminated at the level of interim condensed financial information of the Company.

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**12 Segmental information** (continued)

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities at 30 June 2021 and 31 December 2020, its total revenues, expenses, and net income for the three-month and six-month periods then ended are as follows:

30 June 2021 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Assets</b>							
Reinsurers' share of unearned premiums	-	26,288	7,122	410	33,820	-	33,820
Reinsurers' share of outstanding claims	4,311	126,702	2,665	9,462	143,140	-	143,140
Reinsurers' share of claims incurred but not reported and other reserves	15,532	48,160	-	9,617	73,309	-	73,309
Deferred policy acquisition costs	28,336	8,876	10,718	802	48,732	-	48,732
Segment assets	48,179	210,026	20,505	20,291	299,001	-	299,001
Unallocated assets					1,715,537	973,487	2,689,024
<b>Total assets</b>					<b>2,014,538</b>	<b>973,487</b>	<b>2,988,025</b>
<b>Liabilities and equity</b>							
Unearned premiums	304,173	93,962	184,049	5,931	588,115	-	588,115
Unearned reinsurance commission	-	4,915	1,434	112	6,461	-	6,461
Outstanding claims	38,088	273,249	67,992	16,854	396,183	-	396,183
Claims incurred but not reported and other reserves	419,294	202,446	52,309	28,121	702,170	-	702,170
Segment liabilities	761,555	574,572	305,784	51,018	1,692,929	-	1,692,929
Unallocated liabilities and equity					321,609	973,487	1,295,096
<b>Total liabilities and equity</b>					<b>2,014,538</b>	<b>973,487</b>	<b>2,988,025</b>

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**12 Segmental information** (continued)

31 December 2020 (Audited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Assets</b>							
Reinsurers' share of unearned premiums	-	22,071	1,024	360	23,455	-	23,455
Reinsurers' share of outstanding claims	3,722	67,322	1,192	2,752	74,988	-	74,988
Reinsurers' share of claims incurred but not reported and other reserve	15,633	50,874	589	5,984	73,080	-	73,080
Deferred policy acquisition costs	20,757	6,763	8,397	575	36,492	-	36,492
Segment assets	40,112	147,030	11,202	9,671	208,015	-	208,015
Unallocated assets					1,654,507	903,696	2,558,203
<b>Total assets</b>					<b>1,862,522</b>	<b>903,696</b>	<b>2,766,218</b>
<b>Liabilities and equity</b>							
Unearned premiums	239,440	74,737	168,207	4,325	486,709	-	486,709
Unearned reinsurance commission	-	2,974	275	115	3,364	-	3,364
Outstanding claims	20,274	191,211	69,399	7,820	288,704	-	288,704
Claims incurred but not reported and other reserves	477,127	200,351	65,005	23,685	766,168	-	766,168
Segment liabilities	736,841	469,273	302,886	35,945	1,544,945	-	1,544,945
Unallocated liabilities and equity					317,577	903,696	1,221,273
<b>Total liabilities and equity</b>					<b>1,862,522</b>	<b>903,696</b>	<b>2,766,218</b>

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**12 Segmental information** (continued)

For the three-month period ended 30 June 2021 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Revenues</b>							
Gross premiums written							
- Direct							
- Large corporates	52,273	21,168	72,014	-	145,455	-	145,455
- Medium corporates	14,382	21,289	4,571	13,219	53,461	-	53,461
- Small corporates	5,453	5,288	630	-	11,371	-	11,371
- Micro enterprises	1,063	2,082	-	-	3,145	-	3,145
- Retail	34,387	17,927	4,188	-	56,502	-	56,502
- Reinsurance	-	1,831	-	-	1,831	-	1,831
	107,558	69,585	81,403	13,219	271,765	-	271,765
Reinsurance premiums ceded							
- Foreign	2,649	(20,253)	(455)	(2,151)	(20,210)	-	(20,210)
- Local	-	(3,970)	-	(5,318)	(9,288)	-	(9,288)
	2,649	(24,223)	(455)	(7,469)	(29,498)	-	(29,498)
<b>Net premiums written</b>	110,207	45,362	80,948	5,750	242,267	-	242,267
Changes in unearned premiums	72,518	(330)	18,680	2,799	93,667	-	93,667
Changes in reinsurers' share of unearned premiums	-	(1,358)	(3,436)	(269)	(5,063)	-	(5,063)
<b>Net premiums earned</b>	182,725	43,674	96,192	8,280	330,871	-	330,871
Reinsurance commissions	-	3,594	805	92	4,491	-	4,491
<b>Total revenues</b>	182,725	47,268	96,997	8,372	335,362	-	335,362

(Continued)

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**12 Segmental information** (continued)

For the three-month period ended 30 June 2021 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Underwriting costs and expenses</b>							
Gross claims paid	136,702	8,942	96,180	7,075	248,899	-	248,899
Reinsurers' share of claims paid	(308)	(7,338)	(3,429)	(3,990)	(15,065)	-	(15,065)
<b>Net claims and other benefits paid</b>	<b>136,394</b>	<b>1,604</b>	<b>92,751</b>	<b>3,085</b>	<b>233,834</b>	<b>-</b>	<b>233,834</b>
Changes in outstanding claims	16,647	29,704	(3,233)	5,093	48,211	-	48,211
Changes in reinsurers' share of outstanding claims	(159)	(19,928)	(452)	(3,239)	(23,778)	-	(23,778)
Changes in claims incurred but not reported and other reserves	(18,654)	(1,253)	(426)	2,578	(17,755)	-	(17,755)
Changes in reinsurers' share of claims incurred but not reported and other reserves	(1)	3,489	-	(1,482)	2,006	-	2,006
<b>Net claims and other benefits incurred</b>	<b>134,227</b>	<b>13,616</b>	<b>88,640</b>	<b>6,035</b>	<b>242,518</b>	<b>-</b>	<b>242,518</b>
Policy acquisition costs	16,027	7,485	5,912	2,382	31,806	-	31,806
<b>Total underwriting costs and expenses</b>	<b>150,254</b>	<b>21,101</b>	<b>94,552</b>	<b>8,417</b>	<b>274,324</b>	<b>-</b>	<b>274,324</b>
<b>Net underwriting income</b>	<b>32,471</b>	<b>26,167</b>	<b>2,445</b>	<b>(45)</b>	<b>61,038</b>	<b>-</b>	<b>61,038</b>

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**12 Segmental information** (continued)

For the three-month period ended 30 June 2021 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Other operating (expenses) income</b>							
General and administrative expenses	(19,146)	(5,619)	(12,575)	(1,091)	(38,431)	(640)	(39,071)
Other income - net	-	-	-	-	8,973	7,183	16,156
<b>Total other operating expenses - net</b>	<b>(19,146)</b>	<b>(5,619)</b>	<b>(12,575)</b>	<b>(1,091)</b>	<b>(29,458)</b>	<b>6,543</b>	<b>(22,915)</b>
<b>Total income before surplus attribution, zakat and income tax</b>							<b>38,123</b>
Surplus attributed to the insurance operations							<b>(3,159)</b>
<b>Total income for the period attributable to the shareholders</b>							<b>34,964</b>
Zakat expense							<b>(4,248)</b>
Income tax expense							<b>(2,634)</b>
<b>Total income for the period attributable to the shareholders</b>							<b>28,082</b>

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**12 Segmental information** (continued)

For the three-month period ended 30 June 2020 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Revenues</b>							
Gross premiums written							
- Direct							
- Large corporates	14,313	2,109	1,170	-	17,592	-	17,592
- Medium corporates	40,516	70,563	72,828	9,811	193,718	-	193,718
- Small corporates	706	301	2,224	-	3,231	-	3,231
- Micro enterprises	302	129	953	-	1,384	-	1,384
- Retail	46,844	63	1,790	-	48,697	-	48,697
- Reinsurance	-	2,890	-	-	2,890	-	2,890
	102,681	76,055	78,965	9,811	267,512	-	267,512
Reinsurance premiums ceded							
- Foreign	(877)	(26,591)	(3,330)	(5,992)	(36,790)	-	(36,790)
- Local	-	(1,977)	-	-	(1,977)	-	(1,977)
	(877)	(28,568)	(3,330)	(5,992)	(38,767)	-	(38,767)
<b>Net premiums written</b>	101,804	47,487	75,635	3,819	228,745	-	228,745
Changes in unearned premiums	72,154	(19,448)	16,716	2,640	72,062	-	72,062
Changes in reinsurers' share of unearned premiums	-	6,827	426	(541)	6,712	-	6,712
<b>Net premiums earned</b>	173,958	34,866	92,777	5,918	307,519	-	307,519
Reinsurance commissions	-	2,036	687	154	2,877	-	2,877
<b>Total revenues</b>	173,958	36,902	93,464	6,072	310,396	-	310,396

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**12 Segmental information** (continued)

For the three-month period ended 30 June 2020 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Underwriting costs and expenses</b>							
Gross claims paid	68,820	3,032	55,388	1,982	129,222	-	129,222
Reinsurers' share of claims paid	(166)	2,613	(771)	(896)	780	-	780
<b>Net claims and other benefits paid</b>	68,654	5,645	54,617	1,086	130,002	-	130,002
Changes in outstanding claims	(7,008)	9,008	1,540	4,186	7,726	-	7,726
Changes in reinsurers' share of outstanding claims	119	622	78	(2,519)	(1,700)	-	(1,700)
Changes in claims incurred but not reported and other reserves	64,862	(8,986)	18,637	186	74,699	-	74,699
Changes in reinsurers' share of claims incurred but not reported and other reserves	55	11,505	(383)	(28)	11,149	-	11,149
<b>Net claims and other benefits incurred</b>	126,682	17,794	74,489	2,911	221,876	-	221,876
Policy acquisition costs	10,564	5,488	6,648	1,695	24,395	-	24,395
<b>Total underwriting costs and expenses</b>	137,246	23,282	81,137	4,606	246,271	-	246,271
<b>Net underwriting income</b>	36,712	13,620	12,327	1,466	64,125	-	64,125

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**12 Segmental information** (continued)

For the three-month period ended 30 June 2020 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Other operating (expenses) income</b>							
General and administrative expenses	(22,845)	(4,206)	(12,182)	(776)	(40,009)	(389)	(40,398)
Other income - net	-	-	-	-	10,833	3,929	14,762
<b>Total other operating expenses - net</b>	(22,845)	(4,206)	(12,182)	(776)	(29,176)	3,540	(25,636)
<b>Total income before surplus attribution, zakat and income tax</b>							38,489
Surplus attributed to the insurance operations							(3,495)
<b>Total income for the period attributable to the shareholders</b>							34,994
Zakat expense							(3,641)
Income tax expense							(2,654)
<b>Total income for the period attributable to the shareholders</b>							28,699

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**12 Segmental information** (continued)

For the six-month period ended 30 June 2021 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Revenues</b>							
Gross premiums written							
- Direct							
- Large corporates	234,313	55,020	185,207	-	474,540	-	474,540
- Medium corporates	90,364	39,136	19,376	34,093	182,969	-	182,969
- Small corporates	17,511	17,109	1,989	-	36,609	-	36,609
- Micro enterprises	3,324	2,797	-	-	6,121	-	6,121
- Retail	69,207	30,877	10,298	-	110,382	-	110,382
- Reinsurance	-	2,735	-	-	2,735	-	2,735
	414,719	147,674	216,870	34,093	813,356	-	813,356
Reinsurance premiums ceded							
- Foreign	1,266	(46,811)	(14,048)	(9,989)	(69,582)	-	(69,582)
- Local	-	(7,575)	-	(5,318)	(12,893)	-	(12,893)
	1,266	(54,386)	(14,048)	(15,307)	(82,475)	-	(82,475)
<b>Net premiums written</b>	415,985	93,288	202,822	18,786	730,881	-	730,881
Changes in unearned premiums	(64,733)	(19,225)	(15,842)	(1,606)	(101,406)	-	(101,406)
Changes in reinsurers' share of unearned premiums	-	4,217	6,097	51	10,365	-	10,365
<b>Net premiums earned</b>	351,252	78,280	193,077	17,231	639,840	-	639,840
Reinsurance commissions	1,162	5,747	1,662	219	8,790	-	8,790
<b>Total revenues</b>	352,414	84,027	194,739	17,450	648,630	-	648,630

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**12 Segmental information** (continued)

For the six-month period ended 30 June 2021 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Underwriting costs and expenses</b>							
Gross claims paid	280,562	13,332	195,149	14,963	504,006	-	504,006
Reinsurers' share of claims paid	(461)	(7,717)	(5,795)	(7,710)	(21,683)	-	(21,683)
<b>Net claims and other benefits paid</b>	<b>280,101</b>	<b>5,615</b>	<b>189,354</b>	<b>7,253</b>	<b>482,323</b>	<b>-</b>	<b>482,323</b>
Changes in outstanding claims	17,814	82,038	(1,407)	9,034	107,479	-	107,479
Changes in reinsurers' share of outstanding claims	(588)	(59,381)	(1,472)	(6,711)	(68,152)	-	(68,152)
Changes in claims incurred but not reported and other reserves	(57,833)	2,096	(12,697)	4,436	(63,998)	-	(63,998)
Changes in reinsurers' share of claims incurred but not reported and other reserves	100	2,715	589	(3,633)	(229)	-	(229)
<b>Net claims and other benefits incurred</b>	<b>239,594</b>	<b>33,083</b>	<b>174,367</b>	<b>10,379</b>	<b>457,423</b>	<b>-</b>	<b>457,423</b>
Policy acquisition costs	30,981	13,587	12,223	4,533	61,324	-	61,324
<b>Total underwriting costs and expenses</b>	<b>270,575</b>	<b>46,670</b>	<b>186,590</b>	<b>14,912</b>	<b>518,747</b>	<b>-</b>	<b>518,747</b>
<b>Net underwriting income</b>	<b>81,839</b>	<b>37,357</b>	<b>8,149</b>	<b>2,538</b>	<b>129,883</b>	<b>-</b>	<b>129,883</b>

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**12 Segmental information** (continued)

For the six-month period ended 30 June 2021 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Other operating (expenses) income</b>							
General and administrative expenses	(42,520)	(9,476)	(23,373)	(2,086)	(77,455)	(989)	(78,444)
Other income - net	-	-	-	-	23,479	11,412	34,891
<b>Total other operating expenses - net</b>	<b>(42,520)</b>	<b>(9,476)</b>	<b>(23,373)</b>	<b>(2,086)</b>	<b>(53,976)</b>	<b>10,423</b>	<b>(43,553)</b>
<b>Total income before surplus attribution, zakat and income tax</b>							<b>86,330</b>
Surplus attributed to the insurance operations							<b>(7,591)</b>
<b>Total income for the period attributable to the shareholders</b>							<b>78,739</b>
Zakat expense							<b>(8,172)</b>
Income tax expense							<b>(5,924)</b>
<b>Total income for the period attributable to the shareholders</b>							<b>64,643</b>

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**12 Segmental information** (continued)

For the six-month period ended 30 June 2020 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Revenues</b>							
Gross premiums written							
- Direct							
- Large corporates	243,633	14,452	39,137	-	297,222	-	297,222
- Medium corporates	100,866	117,646	148,598	22,149	389,259	-	389,259
- Small corporates	2,553	1,909	7,596	-	12,058	-	12,058
- Micro enterprises	1,094	818	3,256	-	5,168	-	5,168
- Retail	88,140	794	16,213	-	105,147	-	105,147
- Reinsurance	-	2,924	-	-	2,924	-	2,924
	436,286	138,543	214,800	22,149	811,778	-	811,778
Reinsurance premiums ceded							
- Foreign	(1,963)	(45,662)	(10,738)	(10,586)	(68,949)	-	(68,949)
- Local	-	(3,032)	-	-	(3,032)	-	(3,032)
	(1,963)	(48,694)	(10,738)	(10,586)	(71,981)	-	(71,981)
<b>Net premiums written</b>	434,323	89,849	204,062	11,563	739,797	-	739,797
Changes in unearned premiums	(76,102)	(29,192)	(20,891)	(130)	(126,315)	-	(126,315)
Changes in reinsurers' share of unearned premiums	-	6,220	5,326	(702)	10,844	-	10,844
<b>Net premiums earned</b>	358,221	66,877	188,497	10,731	624,326	-	624,326
Reinsurance commissions	-	3,941	1,256	885	6,082	-	6,082
<b>Total revenues</b>	358,221	70,818	189,753	11,616	630,408	-	630,408

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**12 Segmental information** (continued)

For the six-month period ended 30 June 2020 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Underwriting costs and expenses</b>							
Gross claims paid	205,434	14,486	129,104	4,193	353,217	-	353,217
Reinsurers' share of claims paid	(1,013)	(4,657)	(1,623)	(1,633)	(8,926)	-	(8,926)
<b>Net claims and other benefits paid</b>	204,421	9,829	127,481	2,560	344,291	-	344,291
Changes in outstanding claims	(10,559)	4,354	7,054	4,997	5,846	-	5,846
Changes in reinsurers' share of outstanding claims	314	7,521	(388)	(2,845)	4,602	-	4,602
Changes in claims incurred but not reported and other reserves	66,080	17,229	17,076	2,336	102,721	-	102,721
Changes in reinsurers' share of claims incurred but not reported and other reserves	2,765	(9,392)	(799)	(614)	(8,040)	-	(8,040)
<b>Net claims and other benefits incurred</b>	263,021	29,541	150,424	6,434	449,420	-	449,420
Policy acquisition costs	21,395	10,128	16,370	2,920	50,813	-	50,813
<b>Total underwriting costs and expenses</b>	284,416	39,669	166,794	9,354	500,233	-	500,233
<b>Net underwriting income</b>	73,805	31,149	22,959	2,262	130,175	-	130,175

(Continued)

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**12 Segmental information** (continued)

For the six-month period ended 30 June 2020 (Unaudited)	Insurance operations					Shareholders' operations	Grand total
	Motor	Property and casualty	Health	Protection	Total		
<b>Other operating (expenses) income</b>							
General and administrative expenses	(46,832)	(8,372)	(24,643)	(1,403)	(81,250)	(747)	(81,997)
Other income - net	-	-	-	-	21,255	7,891	29,146
<b>Total other operating expenses - net</b>	(46,832)	(8,372)	(24,643)	(1,403)	(59,995)	7,144	(52,851)
<b>Total income before surplus attribution, zakat and income tax</b>							77,324
Surplus attributed to the insurance operations							(7,019)
<b>Total income for the period attributable to the shareholders</b>							70,305
Zakat expense							(6,960)
Income tax expense							(5,379)
<b>Total income for the period attributable to the shareholders</b>							57,966

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**13 Related party transactions and balances**

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the three-month and six-month periods ended 30 June 2021 and 2020, and the related balances:

	<b>Three-month period ended 30 June</b>		<b>Six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b><u>Major shareholders</u></b>				
Gross premiums from major shareholders	<b>4,507</b>	4,627	<b>4,758</b>	4,889
Reinsurance premiums ceded to major shareholders	<b>7,606</b>	24,862	<b>39,727</b>	51,957
Reinsurance commissions from major shareholders	<b>550</b>	1,099	<b>3,833</b>	3,971
Net claims paid to major shareholders	<b>3,328</b>	2,324	<b>6,958</b>	5,572
Reinsurers' share of gross claims paid to major shareholders	<b>5,942</b>	2,708	<b>10,782</b>	4,481
Expenses charged by major shareholders	<b>1,077</b>	756	<b>1,464</b>	1,484
<b><u>Entities controlled, jointly controlled or significantly influenced by related parties</u></b>				
Gross premiums from other related parties	<b>(158)</b>	(108)	<b>2,280</b>	3,215
Net claims paid to other related parties	<b>2,994</b>	3,802	<b>11,623</b>	8,964

The compensation of key management personnel during the six-month period is as follows:

	<b>Three-month period ended 30 June</b>		<b>Six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Salaries and benefits	<b>2,435</b>	2,253	<b>4,995</b>	4,934
Employee benefit obligations	<b>167</b>	215	<b>304</b>	359
	<b>2,602</b>	2,468	<b>5,299</b>	5,293

Board of Directors fees for the three-month and six-month periods ended 30 June 2021 were Saudi Riyals 0.3 million and Saudi Riyals 0.7 million, respectively (three month and six-month periods ended 30 June 2020: Saudi Riyals Saudi Riyals 0.3 million and 0.7 million, respectively).

The transactions with related parties are carried out at commercial terms and conditions. Compensation to key management personnel is on employment terms and as per the By-laws of the Company.

Due to a related party represents amounts payable to AXA Insurance Gulf B.S.c (c).



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**14 Zakat and income tax**

*Status of assessments*

During 2014, the ZATCA issued final income tax, zakat and withholding tax assessments for the years 2009 through 2012 with additional liabilities amounting to Saudi Riyals 11.6 million. The Company filed appeals against such additional assessments with the Preliminary Appeals Court ("PAC") and, subsequently, the Higher Appeals Court ("HAC"). The PAC issued its judgement with reduced additional liabilities of Saudi Riyals 4.9 million and, in 2018, the HAC upheld the PAC's judgement. The Company accordingly settled the additional liabilities for the years 2009 through 2012.

During 2018, the ZATCA issued final income tax, zakat and withholding tax assessments for the years 2013 through 2015 with additional liabilities amounting to Saudi Riyals 17.2 million including delay fines. The Company filed an appeal with the ZATCA in relation to these assessments. The management of the Company reassessed the income tax, zakat and withholding tax liabilities for the years 2013 through 2015 in light of the rulings by the PAC and HAC in relation to the final assessments from the ZATCA for the years 2009 through 2012 and proposed to the Alternative Dispute Resolution Committee ("ADRC") to settle the liabilities for the years 2013 through 2015 amounting to Saudi Riyals 15.9 million as final settlement for those years. The ADRC accepted the Company's proposed settlement and, accordingly, the Company received final tax certificates from the ZATCA for those years during the year ended 31 December 2020.

Also, the ZATCA has issued invoices amounting to Saudi Riyals 4.9 million as delay fines for the years 2009 through 2015 which have been settled by the Company. However, the Company has subsequently requested the ZATCA to cancel these additional invoices on the grounds that the Company has settled all the income tax, zakat and withholding tax liabilities related to the aforementioned years.

Income tax, zakat and withholding tax assessments for the years 2016 through 2020 are currently under review by the ZATCA.

**15 Statutory deposit**

In accordance with Article 58 of the Insurance Implementing Regulations of SAMA, the Company is required to maintain a statutory deposit of not less than 10% of its paid-up capital. The statutory deposit is maintained with a Saudi Arabian bank and can be withdrawn only with the consent of SAMA.

**16 Statutory reserve**

In accordance with By-laws of the Company and Article 70(2)(g) of the Insurance Implementing Regulations issued by SAMA, the Company is required to transfer not less than 20% of its annual profits, after adjusting accumulated losses, to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

**17 Performance share reserve**

AXA Group (the "Group") has introduced a performance share-based plan for employees of AXA entities world-wide which is designed to reward them for their role in achievement of the Group's long-term objectives. This scheme incentivizes employees after completion of certain number of years with the Company, with shares of AXA Societe Anonyme ("AXA SA") without any cost to employees. These shares are issued outside the Kingdom of Saudi Arabia and employees have the right to receive at the settlement date, a certain number of AXA SA shares based on the achievement of performance criteria defined by AXA SA and vesting period. The Company absorbs the cost of these shares under a group recharge arrangement, paid directly to AXA SA.

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**17 Performance share reserve** (continued)

As at 30 June 2021, the Company recognised changes in the performance share reserve of Saudi Riyals 0.01 million (30 June 2020: Saudi Riyals 0.11 million). During the six-month period ended 30 June 2021, the Company has recognised an expense amounting to Saudi Riyals 0.84 million (30 June 2020: Saudi Riyals 0.63 million) in the interim condensed statement of income with respect to performance shares.

**18 Share capital**

The authorized, issued and paid up capital of the Company is Saudi Riyals 500 million at 30 June 2021 (31 December 2020: Saudi Riyals 500 million) consisting of 50 million shares (31 December 2020: 50 million shares) of Saudi Riyals 10 each.

Shareholding structure of the Company as at 30 June 2021 and 31 December 2020 is as below. The shareholders of the Company are subject to zakat and income tax.

	<b>No. of shares (thousands)</b>	<b>Saudi Riyals (thousands)</b>
AXA Insurance Gulf B.S.C (c.)	<b>16,000</b>	<b>160,000</b>
AXA Mediterranean Holding SA	<b>9,000</b>	<b>90,000</b>
General public	<b>25,000</b>	<b>250,000</b>
	<b>50,000</b>	<b>500,000</b>

**19 Capital management**

The Company's objectives when managing capital are:

- To comply with the insurance capital requirements as set out in the Law. The Company's current paid-up share capital is in accordance with Article 3 of the Law;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

As per Article 66 of the Regulations, the Company shall maintain a solvency margin equivalent to the highest of the following three methods:

- Minimum capital requirement of Saudi Riyals 200 million;
- Premium solvency margin; or
- Claims solvency margin.

The Company's management, through various scenario analyses as required by SAMA, has assessed the potential impact of Covid-19 on the Company's solvency margin by performing stress testing for various variables such as gross premium growth, increase in employee cost, year-to-date loss ratios, outstanding premium provisions etc. and the related impact on the revenue, profitability, loss ratios and solvency ratios. The Company's management has concluded that, based on the stress testing performed, the solvency margin of the Company is adequate at 30 June 2021. As the situation is fluid and rapidly evolving, the Company will continue to reassess its position and the related impact on a regular basis.

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**20 Goodwill on acquisition of insurance portfolio**

This represents goodwill recognized on acquisition of insurance portfolio and net assets of AXA Insurance Saudi Arabia B.S.C (c). The Company received approval from SAMA on 15 Dhul-Qadah 1433H (corresponding to 1 October 2012) to transfer the insurance portfolio from AXA Saudi Arabia Holding W.L.L. (formerly AXA Insurance Saudi Arabia B.S.C.c) at a total consideration of Saudi Riyals 106.6 million. During 2015, the Company met payment conditions imposed by SAMA and received approval for payment of Saudi Riyals 50.0 million in respect of initial consideration to AXA Saudi Arabia Holding W.L.L. which was recognized as goodwill being the excess of consideration paid and the net assets acquired. The remaining amount of Saudi Riyals 56.6 million which was recorded as contingent liability was accordingly relinquished.

**21 Other income - net**

	<b>Three-month period ended 30 June</b>		<b>Six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Insurance operations:</b>				
Commission income on deposits	<b>2,950</b>	4,986	<b>6,132</b>	10,096
Commission income on investments	<b>6,461</b>	5,660	<b>13,239</b>	10,700
Realized gains on disposals of investments	-	179	-	395
Amortization and accretion on investments	<b>46</b>	194	<b>206</b>	436
<b>Total deposits and investments income</b>	<b>9,457</b>	11,019	<b>19,577</b>	21,627
Interest on leases	<b>(208)</b>	(186)	<b>(415)</b>	(372)
Hajj/ Umrah/ Manafeth & other income	<b>(276)</b>	-	<b>4,317</b>	-
<b>Total</b>	<b>8,973</b>	10,833	<b>23,479</b>	21,255
<b>Shareholders' operations:</b>				
Commission income on deposits	<b>2,224</b>	1,741	<b>4,156</b>	3,873
Commission income on investments	<b>2,853</b>	2,547	<b>5,124</b>	4,127
Realized gains on disposals of investments	<b>2071</b>	113	<b>2,071</b>	342
Impairment loss on available-for-sale investments	-	(511)	-	(511)
Amortization and accretion on investments	<b>35</b>	39	<b>61</b>	60
<b>Total deposits and investments income</b>	<b>7,183</b>	3,929	<b>11,412</b>	7,891
<b>Total other income - net</b>	<b>16,156</b>	14,762	<b>34,891</b>	29,146

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**22 Supplementary information**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

	<b>30 June 2021 (Unaudited)</b>			<b>31 December 2020 (Audited)</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operation</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	<b>29,459</b>	<b>127,565</b>	<b>157,024</b>	278,949	52,087	331,036
Short-term deposits	<b>308,717</b>	<b>187,200</b>	<b>495,917</b>	255,366	298,050	553,416
Premiums and reinsurers' balances receivable - net	<b>329,728</b>	-	<b>329,728</b>	214,308	-	214,308
Reinsurers' share of unearned premiums	<b>33,820</b>	-	<b>33,820</b>	23,455	-	23,455
Reinsurers' share of outstanding claims	<b>143,140</b>	-	<b>143,140</b>	74,988	-	74,988
Reinsurers' share of claims incurred but not reported and other reserves	<b>73,309</b>	-	<b>73,309</b>	73,080	-	73,080
Deferred policy acquisition costs	<b>48,732</b>	-	<b>48,732</b>	36,492	-	36,492
Investments	<b>892,209</b>	<b>412,550</b>	<b>1,304,759</b>	767,964	296,618	1,064,582
Prepaid expenses and other assets	<b>24,709</b>	<b>5,662</b>	<b>30,371</b>	19,589	-	19,589
Long-term deposits	<b>145,722</b>	<b>70,000</b>	<b>215,722</b>	190,721	25,000	215,721
Right-of-use assets	<b>21,801</b>	-	<b>21,801</b>	23,122	-	23,122
Property and equipment	<b>20,055</b>	-	<b>20,055</b>	21,708	-	21,708
Intangible assets	<b>7,563</b>	-	<b>7,563</b>	8,819	-	8,819
Due from/to shareholders' / insurance operations	<b>(64,426)</b>	<b>64,426</b>	-	(126,039)	126,039	-
Goodwill	-	<b>50,000</b>	<b>50,000</b>	-	50,000	50,000
Statutory deposit	-	<b>50,000</b>	<b>50,000</b>	-	50,000	50,000
Accrued income on statutory deposit	-	<b>6,084</b>	<b>6,084</b>	-	5,902	5,902
<b>Total assets</b>	<b>2,014,538</b>	<b>973,487</b>	<b>2,988,025</b>	<b>1,862,522</b>	<b>903,696</b>	<b>2,766,218</b>

(Continued)

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**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION** (continued)

	<b>30 June 2021 (Unaudited)</b>			<b>31 December 2020 (Audited)</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Liabilities</b>						
Claims payable, accrued expenses and other liabilities	118,407	879	119,286	129,853	3,276	133,129
Surplus distribution payable	34,564	-	34,564	26,973	-	26,973
Reinsurers' balances payable	46,561	-	46,561	41,065	-	41,065
Advance premiums	44,918	-	44,918	36,492	-	36,492
Unearned premiums	588,115	-	588,115	486,709	-	486,709
Unearned reinsurance commission	6,461	-	6,461	3,364	-	3,364
Outstanding claims	396,183	-	396,183	288,704	-	288,704
Claims incurred but not reported and other reserves	702,170	-	702,170	766,168	-	766,168
Lease liabilities	22,197	-	22,197	21,781	-	21,781
Due to a related party	3,214	-	3,214	3,385	-	3,385
Employee benefit obligations	32,432	-	32,432	31,488	-	31,488
Zakat and income tax	-	47,695	47,695	-	50,156	50,156
Accrued income payable to SAMA	-	6,084	6,084	-	5,902	5,902
<b>Total liabilities</b>	<b>1,995,222</b>	<b>54,658</b>	<b>2,049,880</b>	<b>1,835,982</b>	<b>59,334</b>	<b>1,895,316</b>
<b>Equity</b>						
Share capital	-	500,000	500,000	-	500,000	500,000
Statutory reserve	-	89,927	89,927	-	76,998	76,998
Performance share reserve	-	2,259	2,259	-	2,266	2,266
Retained earnings	-	301,432	301,432	-	249,718	249,718
Fair value reserve on investments	19,316	25,211	44,527	26,539	15,381	41,920
<b>Total equity</b>	<b>19,316</b>	<b>918,829</b>	<b>938,145</b>	<b>26,539</b>	<b>844,363</b>	<b>870,902</b>
<b>Total liabilities and equity</b>	<b>2,014,538</b>	<b>973,487</b>	<b>2,988,025</b>	<b>1,862,522</b>	<b>903,696</b>	<b>2,766,218</b>

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**22 Supplementary information (continued)**

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 30 JUNE (Unaudited)**

	<b>2021</b>			<b>2020</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Revenues</b>						
Gross premiums written						
- Direct	<b>269,934</b>	-	<b>269,934</b>	264,622	-	264,622
- Reinsurance	<b>1,831</b>	-	<b>1,831</b>	2,890	-	2,890
	<b>271,765</b>	-	<b>271,765</b>	267,512	-	267,512
Reinsurance premiums ceded:						
- Foreign	<b>(20,210)</b>	-	<b>(20,210)</b>	(36,790)	-	(36,790)
- Local	<b>(9,288)</b>	-	<b>(9,288)</b>	(1,977)	-	(1,977)
	<b>(29,498)</b>	-	<b>(29,498)</b>	(38,767)	-	(38,767)
<b>Net premiums written</b>	<b>242,267</b>	-	<b>242,267</b>	228,745	-	228,745
Changes in unearned premiums	<b>93,667</b>	-	<b>93,667</b>	72,062	-	72,062
Changes in reinsurers' share of unearned premiums	<b>(5,063)</b>	-	<b>(5,063)</b>	6,712	-	6,712
<b>Net premiums earned</b>	<b>330,871</b>	-	<b>330,871</b>	307,519	-	307,519
Reinsurance commissions	<b>4,491</b>	-	<b>4,491</b>	2,877	-	2,877
<b>Total revenues</b>	<b>335,362</b>	-	<b>335,362</b>	310,396	-	310,396
<b>Underwriting costs and expenses</b>						
Gross claims paid	<b>248,899</b>	-	<b>248,899</b>	129,222	-	129,222
Reinsurers' share of claims paid	<b>(15,065)</b>	-	<b>(15,065)</b>	780	-	780
<b>Net claims and other benefits paid</b>	<b>233,834</b>	-	<b>233,834</b>	130,002	-	130,002
Changes in outstanding claims	<b>48,211</b>	-	<b>48,211</b>	7,726	-	7,726
Changes in reinsurers' share of outstanding claims	<b>(23,778)</b>	-	<b>(23,778)</b>	(1,700)	-	(1,700)
Changes in claims incurred but not reported and other reserves	<b>(17,755)</b>	-	<b>(17,755)</b>	74,699	-	74,699
Changes in reinsurers' share of claims incurred but not reported and other reserves	<b>2,006</b>	-	<b>2,006</b>	11,149	-	11,149
Net claims and other benefits incurred	<b>242,518</b>	-	<b>242,518</b>	221,876	-	221,876
Policy acquisition costs	<b>31,806</b>	-	<b>31,806</b>	24,395	-	24,395
<b>Total underwriting costs and expenses</b>	<b>274,324</b>	-	<b>274,324</b>	246,271	-	246,271
<b>Net underwriting income</b>	<b>61,038</b>	-	<b>61,038</b>	64,125	-	64,125

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**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 30 JUNE (Unaudited)** (continued)

	<b>2021</b>			<b>2020</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Other operating (expenses) income</b>						
General and administrative expenses	(38,431)	(640)	(39,071)	(40,009)	(389)	(40,398)
Other income - net	8,973	7,183	16,156	10,833	3,929	14,762
<b>Total other operating expenses - net</b>	<b>(29,458)</b>	<b>6,543</b>	<b>(22,915)</b>	<b>(29,176)</b>	<b>3,540</b>	<b>(25,636)</b>
<b>Total income before surplus appropriation, zakat and income tax</b>	<b>31,580</b>	<b>6,543</b>	<b>38,123</b>	<b>34,949</b>	<b>3,540</b>	<b>38,489</b>
Zakat expense	-	(4,248)	(4,248)	-	(3,641)	(3,641)
Income tax expense	-	(2,634)	(2,634)	-	(2,654)	(2,654)
<b>Total income (loss) for the period</b>	<b>31,580</b>	<b>(339)</b>	<b>31,241</b>	<b>34,949</b>	<b>(2,755)</b>	<b>32,194</b>
<b>Surplus transferred to shareholders' operations</b>	<b>(28,421)</b>	<b>28,421</b>	<b>-</b>	<b>(31,454)</b>	<b>31,454</b>	<b>-</b>
<b>Total income for the period after transfer of insurance operations surplus</b>	<b>3,159</b>	<b>28,082</b>	<b>31,241</b>	<b>3,495</b>	<b>28,699</b>	<b>32,194</b>
<b>Earnings per share (expressed in Saudi Riyals per share)</b>						
Basic earnings per share	-	-	0.56	-	-	0.57
Diluted earnings per share	-	-	0.56	-	-	0.57

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**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED JUNE 30 (Unaudited)**

	<b>2021</b>			<b>2020</b>		
	<b>Insurance</b>	<b>Share-</b>		<b>Insurance</b>	<b>Share-</b>	
	<b>operations</b>	<b>holders'</b>	<b>Total</b>	<b>operations</b>	<b>holders'</b>	<b>Total</b>
Total income for the period after transfer of insurance operations surplus	<b>3,159</b>	<b>28,082</b>	<b>31,241</b>	3,495	28,699	32,194
<b>Other comprehensive income:</b>						
<i>Items that will be reclassified to the interim condensed statement of income in subsequent period</i>						
Net change in fair value of available-for-sale investments	<b>3,499</b>	<b>6,562</b>	<b>10,061</b>	24,377	12,617	36,994
<b>Total comprehensive income for the period</b>	<b>6,658</b>	<b>34,644</b>	<b>41,302</b>	27,872	41,316	69,188



**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
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(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE (Unaudited)**

	<b>2021</b>			<b>2020</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>REVENUES</b>						
Gross premiums written						
Direct	<b>810,621</b>	-	<b>810,621</b>	808,854	-	808,854
Reinsurance	<b>2,735</b>	-	<b>2,735</b>	2,924	-	2,924
	<b>813,356</b>	-	<b>813,356</b>	811,778	-	811,778
Reinsurance premiums ceded						
Foreign	<b>(69,582)</b>	-	<b>(69,582)</b>	(68,949)	-	(68,949)
Local	<b>(12,893)</b>	-	<b>(12,893)</b>	(3,032)	-	(3,032)
	<b>(82,475)</b>	-	<b>(82,475)</b>	(71,981)	-	(71,981)
<b>Net premiums written</b>	<b>730,881</b>	-	<b>730,881</b>	739,797	-	739,797
Changes in unearned premiums	<b>(101,406)</b>	-	<b>(101,406)</b>	(126,315)	-	(126,315)
Changes in reinsurers' share of unearned premiums	<b>10,365</b>	-	<b>10,365</b>	10,844	-	10,844
<b>Net premiums earned</b>	<b>639,840</b>	-	<b>639,840</b>	624,326	-	624,326
Reinsurance commissions	<b>8,790</b>	-	<b>8,790</b>	6,082	-	6,082
<b>Total revenues</b>	<b>648,630</b>	-	<b>648,630</b>	630,408	-	630,408

**AXA COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
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(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE (Unaudited)** (continued)

	<b>2021</b>			<b>2020</b>		
	<b>Insurance Operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Underwriting costs and expenses</b>						
Gross claims paid	<b>504,006</b>	-	<b>504,006</b>	353,217	-	353,217
Reinsurers' share of claims paid	<b>(21,683)</b>	-	<b>(21,683)</b>	(8,926)	-	(8,926)
<b>Net claims and other benefits paid</b>	<b>482,323</b>	-	<b>482,323</b>	344,291	-	344,291
Changes in outstanding claims	<b>107,479</b>	-	<b>107,479</b>	5,846	-	5,846
Changes in reinsurers' share of outstanding claims	<b>(68,152)</b>	-	<b>(68,152)</b>	4,602	-	4,602
Changes in claims incurred but not reported and other reserves	<b>(63,998)</b>	-	<b>(63,998)</b>	102,721	-	102,721
Changes in reinsurers' share of claims incurred but not reported and other reserves	<b>(229)</b>	-	<b>(229)</b>	(8,040)	-	(8,040)
<b>Net claims and other benefits incurred</b>	<b>457,423</b>	-	<b>457,423</b>	449,420	-	449,420
Policy acquisition costs	<b>61,324</b>	-	<b>61,324</b>	50,813	-	50,813
<b>Total underwriting costs and expenses</b>	<b>518,747</b>	-	<b>518,747</b>	500,233	-	500,233
<b>Net underwriting income</b>	<b>129,883</b>	-	<b>129,883</b>	130,175	-	130,175

**AXA COOPERATIVE INSURANCE COMPANY**  
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(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE (Unaudited)** (continued)

	<b>2021</b>			<b>2020</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Other operating (expenses) income</b>						
General and administrative expenses	(77,455)	(989)	(78,444)	(81,250)	(747)	(81,997)
Other income- net	23,479	11,412	34,891	21,255	7,891	29,146
<b>Total other operating expenses, net</b>	<b>(53,976)</b>	<b>10,423</b>	<b>(43,553)</b>	<b>(59,995)</b>	<b>7,144</b>	<b>(52,851)</b>
<b>Total income before surplus attribution, zakat and income tax</b>	<b>75,907</b>	<b>10,423</b>	<b>86,330</b>	<b>70,180</b>	<b>7,144</b>	<b>77,324</b>
Zakat expense	-	(8,172)	(8,172)	-	(6,960)	(6,960)
Income tax expense	-	(5,924)	(5,924)	-	(5,379)	(5,379)
<b>Total income (loss) for the period</b>	<b>75,907</b>	<b>(3,673)</b>	<b>72,234</b>	<b>70,180</b>	<b>(5,195)</b>	<b>64,985</b>
<b>Surplus transferred to shareholders' operations</b>	<b>(68,316)</b>	<b>68,316</b>	<b>-</b>	<b>(63,161)</b>	<b>63,161</b>	<b>-</b>
<b>Total income for the period after transfer of insurance operations surplus</b>	<b>7,591</b>	<b>64,643</b>	<b>72,234</b>	<b>7,019</b>	<b>57,966</b>	<b>64,985</b>
<b>Earnings per share (expressed in Saudi Riyals per share)</b>						
Basic earnings per share	-	-	1.29	-	-	1.16
Diluted earnings per share	-	-	1.29	-	-	1.16

**AXA COOPERATIVE INSURANCE COMPANY**  
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(All amounts expressed in Saudi Riyals thousands unless otherwise stated)

**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30 (Unaudited)**

	<b>2021</b>			<b>2020</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
Total income for the period after transfer of insurance operations surplus	7,591	64,643	72,234	7,019	57,966	64,985
<b>Other comprehensive income (loss):</b>						
<i>Items that will be reclassified to the interim condensed statement of income in subsequent period</i>						
Net change in fair value of available-for-sale investments	(7,223)	9,830	2,607	2,202	(3,596)	(1,394)
<b>Total comprehensive income for the period</b>	<b>368</b>	<b>74,473</b>	<b>74,841</b>	<b>9,221</b>	<b>54,370</b>	<b>63,591</b>

**AXA COOPERATIVE INSURANCE COMPANY**  
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**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE (Unaudited)**

	<b>2021</b>			<b>2020</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>		<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Cash flows from operating activities</b>						
Total income before surplus attribution, zakat and income tax	75,907	10,423	86,330	70,180	7,144	77,324
<b>Adjustments for non-cash items:</b>						
Depreciation of property and equipment	3,450		3,450	2,769	-	2,769
Depreciation of right-of-use assets	1,321		1,321	1,560	-	1,560
Amortization of intangible assets	2,992		2,992	2,967	-	2,967
Interest on lease	416		416	372	-	372
Provision for doubtful debts	838		838	1,412	-	1,412
Accretion of discount on available-for-sale investments	(626)	(153)	(779)	(590)	(114)	(704)
Amortization of premium on available-for-sale investments	420	91	511	148	55	203
Amortization of premium on held-to-maturity investments	5	-	5	8	-	8
Impairment loss on available-for-sale investments	-	-	-	-	511	511
Performance share reserve	-	844	844	-	627	627
Provision for employee benefit obligations	2,027	-	2,027	1,026	-	1,026
<b>Changes in operating assets and liabilities:</b>						
Premiums and reinsurers' balances receivable - net	(116,258)	-	(116,258)	(92,423)	-	(92,423)
Reinsurers' share of unearned premiums	(10,365)	-	(10,365)	(10,844)	-	(10,844)
Reinsurers' share of outstanding claims	(68,152)	-	(68,152)	4,602	-	4,602
Reinsurers' share of claims incurred but not reported and other reserves	(229)	-	(229)	(8,040)	-	(8,040)
Deferred policy acquisition costs	(12,240)	-	(12,240)	(12,608)	-	(12,608)

(Continued)

**AXA COOPERATIVE INSURANCE COMPANY  
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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2021**  
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**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30 (Unaudited)** (continued)

	<b>2021</b>			<b>2020</b>		
	<b>Insurance</b>	<b>Share-</b>		<b>Insurance</b>	<b>Share-</b>	
	<b>operations</b>	<b>holders'</b>	<b>Total</b>	<b>operations</b>	<b>holders'</b>	<b>Total</b>
Prepaid expenses and other assets	(5,120)	(5,662)	(10,782)	(4,329)	-	(4,329)
Accrued income on statutory deposit	-	(182)	(182)	-	(1,025)	(1,025)
Claims paid, accrued and other liabilities	(11,446)	(2,397)	(13,843)	14,982	777	15,759
Surplus distribution paid	-	-	-	(5,876)	-	(5,876)
Reinsurers' balances payable	5,495	-	5,495	17,761	-	17,761
Advance premiums	8,426	-	8,426	1,674	-	1,674
Unearned premiums	101,406	-	101,406	126,315	-	126,315
Unearned reinsurance commission	3,097	-	3,097	1,751	-	1,751
Outstanding claims	107,479	-	107,479	5,846	-	5,846
Claims incurred but not reported and other reserves	(63,998)	-	(63,998)	102,721	-	102,721
Due to a related party	(171)	-	(171)	633	-	633
Employee benefit obligations paid	(1,083)	-	(1,083)	(2,052)	-	(2,052)
Zakat and income tax paid	-	(16,556)	(16,556)	-	(15,191)	(15,191)
Accrued income payable to SAMA	-	182	182	-	1,025	1,025
Due from/to shareholders' / insurance operations	(84,929)	84,929	-	(96,941)	96,941	-
<b>Net cash (used in) generated from operating activities</b>	<b>(61,338)</b>	<b>71,519</b>	<b>10,181</b>	<b>123,024</b>	<b>90,750</b>	<b>213,774</b>

(Continued)

**AXA COOPERATIVE INSURANCE COMPANY**  
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**22 Supplementary information** (continued)

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FO FOR THE SIX-MONTH PERIOD ENDED 30 JUNE (Unaudited)** (continued)

	<b>2021</b>			<b>2020</b>		
	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Share-holders' operations</b>	<b>Total</b>
<b>Cash flows from investing activities</b>						
Placements of short-term deposit	(308,718)	(157,200)	(465,918)	(352,481)	(159,240)	(511,721)
Proceeds from disposals of short-term deposits	255,367	268,050	523,417	451,429	197,139	648,568
Purchase of investments	(135,885)	(115,692)	(251,577)	(92,922)	(28,882)	(121,804)
Proceeds from disposals of investments	4,617	9,652	14,269	30,454	13,663	44,117
Proceeds from disposal of long-term deposits	-	-	-	-	20,000	20,000
Purchase of property and equipment	(1,797)	-	(1,797)	(12,817)	-	(12,817)
Purchase of intangible assets	(1,736)	-	(1,736)	(887)	-	(887)
<b>Net cash (used in)/ generated from investing activities</b>	<b>(188,152)</b>	<b>4,810</b>	<b>(183,342)</b>	<b>22,776</b>	<b>42,680</b>	<b>65,456</b>
<b>Cash flows from financing activity</b>						
Performance share reserve - settlement	-	(851)	(851)	(526)	-	(526)
Net (decrease)/ increase in cash and cash equivalents	(249,490)	75,478	(174,012)	145,274	133,430	278,704
Cash and cash equivalents, beginning of the period	278,949	52,087	331,036	209,030	25,810	234,840
<b>Cash and cash equivalents, end of the period</b>	<b>29,459</b>	<b>127,565</b>	<b>157,024</b>	<b>354,304</b>	<b>159,240</b>	<b>513,544</b>
<b>Supplemental non-cash information:</b>						
Changes in fair value of available-for sale-investments	(7,223)	9,830	2,607	2,202	(3,596)	(1,394)

**AXA COOPERATIVE INSURANCE COMPANY  
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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2021**  
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**23. Approval of the interim condensed financial information**

The interim condensed financial information has been approved by the Board of Directors on 4 August 2021.